

64-172

13 JAN 1964

*Lyndon B. Johnson*  
 The President  
 The White House  
 Washington 25, D.C.

Dear Mr. President:

This letter is in response to your Memorandum for the Heads of Departments and Agencies, dated 24 December 1963, which set forth further measures to be taken in order to hold down federal employment levels.

I believe that the Central Intelligence Agency is now moving in the direction you desire with respect to economies in the allocation of both funds and manpower. Much remains to be done, but the seriousness of your intent to achieve maximum output with minimum personnel has been made explicit to supervisors at every echelon by a series of very rigid management actions controlling personnel. Some positive results will be realized immediately, and substantial gains will be made over the next 18 months.

A capsule history of this Agency's personnel strength shows a steady upward curve from 1947 to 1957, followed by five years during which the on-duty level held at about [redacted]. In the last two years on-duty strength has increased by [redacted]—an increase directly attributable to new or expanded responsibilities in photo-interpretation, reconnaissance, communications, [redacted] activities. These additional employees were necessary despite a great deal of reprogramming and reallocating of existing personnel resources.

For Fiscal Year 1965 the original requests from Agency components would have called for a personnel ceiling of [redacted]. After close review I reduced this to an end-year figure of [redacted] before submission to the Bureau of the Budget, where subsequent reviews led to further reduction and a tentative allowance of [redacted]. In mid-December I agreed to a further downward adjustment to [redacted] employees on duty as of 30 June 1965—the same end-year figure as for the current fiscal year.

(EXECUTIVE REGISTRY FILE)

*White House*

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Against this background, my staff and I have given thoughtful consideration to the identification of further areas where personnel requirements could be lowered in order to establish an end-of-year target below [ ] level. At this point in time we can foresee no diminution in our present responsibilities and can isolate no functions which could be discontinued. Nevertheless, I am convinced that with additional study some procedures can be simplified or some lesser priority activities curtailed which may permit a somewhat lower level of on-duty personnel. As yet I am unable to estimate what that figure might be, but in the interim I do not believe that an arbitrary cut of [ ] spread by percentage across the board, would be a prudent or effective means of achieving further economies.

I will be reporting to you as we progress with this problem.

Respectfully yours,

(Signed) JOHN A. MCCONE

John A. McCone  
Director

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O/BPAM [ ] vgd 8 Jan 64

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EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

OFFICE OF  
THE DIRECTOR

December 26, 1963

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

The President has asked me to transmit to you the attached directive concerning control of Federal employment. You will note that the President asks for prompt and personal action on your part, and that he plans to review each response personally.

The initial action required is an identification of new end-of-year employment targets for FY 1964 and 1965 below those allowed your agency by the President's decisions on the 1965 budget. If you have not yet been notified of that allowance, you will be advised immediately.

As guides to the preparation of your report to the President, I would suggest the following:

1. That the new targets for large agencies be broken down into subtargets for each of the major constituent parts of the agency.
2. That the targets differentiate between permanent and other employees.
3. That the new targets be achieved by methods which produce meaningful Government economies, rather than by devices of a merely statistical nature.
4. That this report be submitted to the President no later than January 10, ~~1963~~ 1964.

The form and content of the quarterly progress reports also required by the President will be the subject of a future memorandum.

  
Kermit Gordon  
Director

Attachment

63-95601

THE WHITE HOUSE  
WASHINGTON

December 24, 1963

## MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

Subject: Control of Federal Employment

The Budget which I will send to the Congress next month will not only halt the growth in Federal employment, but will actually make a small reduction from this year's level.

Even though nothing like this has happened in the last decade, I am still unconvinced that we are getting the maximum possible output per employee. I believe we can do better.

The Budget Director will shortly notify you of the year-end maximum employment levels which result from my final budget decisions for both fiscal years 1964 and 1965.

Let me make it clear that these end-of-year figures are ceilings, not goals.

As soon as these figures reach you, I want you personally to re-examine your employment situations and to establish new end-of-year targets below these maximums. I want you to report these targets to me promptly. I will review them personally.

When I approve new targets for your agency, you will put them into effect and make strenuous efforts to achieve them through tighter management, redeployment of personnel, simplification of procedures, and stripping work to essentials.

I will expect you to make quarterly reports to me, beginning April 1, 1964, on what you have accomplished under this effort.

Finally, once I have given my approval to your new targets, they are not to be exceeded without my explicit approval.

